



NC OSC Policy 101.4

Restricted Assets Policy

Policy Area: Accounting & Financial Reporting	Effective Date: 07/01/2006
Policy Sub Area: Account Classification	Last Revision Date: NA
Authority: GASB Codification Section 1800	Policy Owner/Division: Statewide Accounting

Policy

For governmental funds of the State primary government, the accounting classification of restricted assets will be handled at a statewide level. For year-end reporting, OSC staff will prepare worksheet entries on the fund level working trial balances to reclassify unrestricted cash and cash equivalents, investments, and receivables to restricted accounts. For proprietary funds of the State primary government and for component units, the accounting classification of restricted assets should be handled at the agency level. The chart of accounts includes the following restricted asset accounts:

Cash, Cash Equivalents, and Pooled Cash - Current Restricted
11RXXX Accounts

Cash, Cash Equivalents, Pooled Cash - Noncurrent Restricted
121XXX Accounts

Investments Outside the State Treasurer and Pooled Investments - Current Restricted
112125 - Restricted Investments
112152 - Allowance Fair Value Restricted Investments
112250 - Bond Proceeds - Restricted (For Use Only by State Treasurer and OSC Central Accounts)

Investments Outside the State Treasurer - Noncurrent Restricted
122125 - Endowment Investments
122126 - Restricted Investments
122152 - Allowance Fair Value Endowment Investments
122153 - Allowance Fair Value Restricted Investments

Receivables - Noncurrent Restricted
124100 - Restricted Due From Primary Government

Procedures

NA

Accounting Guidance

Restricted assets should be reported when restrictions on asset use change the nature or normal understanding of the availability of the asset. For example, cash and investments normally are classified as current assets and a normal understanding of these assets presumes that restrictions do not limit the government's ability to use the resources to pay current liabilities. However, the following resources are not available for current operations and should be reported as restricted assets:

- Resources restricted or designated for the acquisition/construction of the government's own capital assets
- Resources legally segregated for the payment of principal and interest only (as required by debt covenants) and that cannot be used to pay other current liabilities.
- Temporarily invested debt proceeds.
- Nonexpendable resources of permanent funds.

Related Documents (Memos/Forms)

NA

Revision History

Date	Description